COMMANDERS DIGEST

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# WHY MILITARY ASSISTANCE AND FOREIGN MILITARY SALES?

# STRENGTHENING MILITARY BALAN

By
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Secretary of Defense

Earlier this year, before the Armed Services and Appropriations Committees of both houses of Congress, I reviewed the fundamental strategic issues that we face and the policies and programs we believe are important for the long-run security of the United States. I pointed out that it was no longer sufficient, now that the Soviet Union had achieved nuclear parity, to rely for deterrence on nuclear war solely on the rhetoric of "assured destruction," with its implication of a relatively massive nuclear response. Accordingly, I have proposed changes in our targeting doctrine which will give us the wider response options necessary for continuing deterrence. In addition, having in mind the aggressive development and test of new intercontinental ballistic missiles (ICBMs) now underway in the Soviet Union, we are proposing to the Congress research and development (R&D) programs that would be necessary to help assure essential equivalence between U.S. and U.S.S.R. strategic forces—if the U.S.S.R. does not agree to essential equivalence in the Strategic Arms Limitation Talks (SALT) negotiations.

A balance of U.S.-U.S.S.R. strategic nuclear forces is part, but only part, of the wider need to maintain a worldwide military equilibrium. Deterrence is greatly strengthened if there are regional military balances in critical areas of the world. In Europe,

# CES IN CRITICAL WORLD AREAS

for example, we and our North Atlantic Treaty Organization (NATO) allies are seeking to maintain a satisfactory long-term balance of forces. Similarly, we wish to maintain a balance of naval forces, for unlike the U.S.S.R., which is predominantly a land power, the U.S. and its allies have long and exposed sea lines of communication. Access to vital supplies, such as oil and other overseas resources, is essential to the West.

The U.S., however, cannot by itself maintain adequate conventional forces to protect its larger interests and to ensure stability in all potentially volatile areas of the world. The conflict in Southeast Asia has demonstrated the problems that can result from the direct involvement of American forces. Here is where security assistance has an indispensable role.

It is the principal purpose of security assistance—both the grant aid and the military sales programs—to strengthen deterrence and promote peaceful negotiations by helping our friends and allies to maintain adequate defense forces of their own. We believe that hostilities can often be avoided altogether; and when they cannot, we seek to ensure that our friends and allies have the capacity to defend themselves and to restore stability as soon as practicable. In this way, we seek to achieve regional stability in crucial areas of the world without the need for

The American flag is lowered on the stern of the destroyer USS Maddox symbolizing the decommissioning of the ship. It was then transferred to the Republic of China Navy. Military Assistance Program grant aid programmed for the Republic of China dropped to a $400,000 training only program proposed for FY 1975.

direct intervention by American forces.

The Middle East is an excellent example. We have helped Israel maintain sufficient defense capability, thus avoiding the need for great power military intervention and the dangers of confrontation. We have been free to pursue arrangements for stability and a more durable peace through diplomatic means. The recent initial successes of the diplomatic process are apparent and encouraging. As you know, the Secretary of State considers the security assistance program to be essential to the success of our hopes for a greater measure of Middle East peace.

The vast bulk of our military assistance and foreign sales programs recommended for FY 1975 are aimed at two of the more unstable parts of the world—Middle East and Asia. More than 80 percent of our proposed grant and sales programs are directed to the countries of these two areas. Our largest credit sales program—$300 million—is for Israel, a country which only recently was required to mount a swift and sizable defense. By far the largest grant program—$362 million—is for Cambodia, a country still struggling to defend itself and survive as a free nation.

The Secretary of State has reported on the progress of his recent negotiations in the Middle East. Nowhere do the efforts of the United States to reduce tension, encourage rapprochement, and preserve an incomplete and fragile peace have greater import than in the Middle East. To limit the possibility of direct superpower confrontation, to provide the confidence needed for negotiation, and to permit Israel and certain of the moderate Arab states to have the capacity to defend themselves without the need for direct U.S. military intervention, we are recommending major grant and sales programs to certain Middle East countries.

We are proposing credit sales programs of $300 million for Israel, $30 million for Jordan, $10 million for Lebanon, $71 million for Greece and $90 million for Turkey. We are recommending grant assistance programs of $94 million for Jordan, and $80 million for Turkey. Israel and Jordan are at the center of the present instabilities in the area, and their defense needs are paramount. Greece and Turkey are, of course, key members of the NATO alliance, and the maintenance of adequate defense capabilities in both countries is crucial to the alliance.

In addition to the paramount importance of achieving and preserving the peace throughout the Middle East,

An American English instructor conducts an orientation lecture for foreign officers and enlisted personnel under the Military Assistance Program at the Defense Language Institute, Washington, D.C.

Spanish sailors handle the lines as they train on board the dock landing ship USS San Marcos. Three hundred-eighty Spanish military personnel will train in the United States and/or overseas during FY 1975.

the United States recognizes an equally vital need to pursue policies conducive to continuing access to the area's tremendous oil reserves. Denial or curtailment of this access would represent a threat to the security and economic well-being of the United States and other free-world nations. Judicious use of foreign military sales (FMS), both cash and credit, and grant military assistance, as instruments of national policy toward deflecting that threat is thus clearly consistent with our national interest.

We have in recent history invested heavily in lives and fortune in Asia,

A Spanish soldier learns to operate two pieces of communications equipment—one on his helmet and one in his hand. Grant aid proposed for Spain in connection with the 1970 Agreement of Friendship and Cooperation is limited to training.

first in Korea and then in Indochina. Our prompt assistance and continuing support to Korea permitted that country to maintain its independence—an independence that almost vanished in 1950. The proposed military assistance to Korea for FY 1975—$161.5 million in grant aid and $52 million in foreign military sales credit—is meant to help strengthen and make more certain a satisfactory military balance there. Military equilibrium in that important meeting place of great power influence is essential for deterrence and defense. Such a balance is also an essential underpinning for negotiations between North and South Korea.

The largest portion of our assistance to Asia is to Southeast Asia, $544.3 million in grant assistance, $15 million in foreign military sales credits. The reasons for it are well known. When we withdrew American forces from Indochina, it was understood that we would provide the military tools to enable the people there to defend themselves. The need to do so has not lessened in the last year. The flow of military equipment, supplies and personnel from the north to positions endangering Cambodia, Laos, and South Vietnam continues. Cambodia is particularly hard pressed. The security requirements of Thailand, Indonesia and the Philippines are continuing ones which they need help in meeting. It would be unworthy of us and wrong,

in my judgment, to default on our obligation by denying the help needed by these small nations in this difficult hour.

Another of our objectives in providing military assistance is continuing an uninterrupted access to bases and facilities important to the worldwide U.S. military posture. In all cases, however, DoD security assistance programs are designed to facilitate and encourage greater contribution by countries to their own and the common defense. The increase in allocation of FMS credit proposed clearly indicates both the thrust and the progress of this effort. A striking case in point is the sharp drop in Military Assistance Program (MAP) grant aid programmed for the Republic of China from almost $30 million in FY 1973 to the $400,000 training-only program proposed for FY 1975. During the same two-year period, FMS credit sales to that country nearly doubled—rising from $45 million in FY 1973 to an expected $80 million in FY 1975.

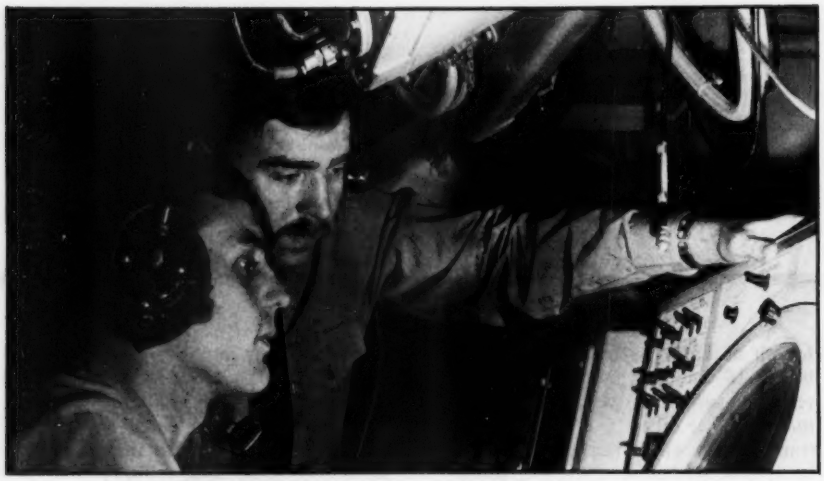
A similar transition from grant aid recipient to purchasing nation status is already well under way in Latin America. In less than 10 years, MAP grant aid provided throughout this region has dropped by approximately 75 percent from a total of almost $80 million in FY 1966 to the less than $20 million proposed for FY 1975. Less than $10 million in grant materiel is programmed for all of Latin America. Only nine of the 18 countries in the region receiving assistance will receive grant materiel. The other nine will be provided training only, either in the United States or at U.S. schools in the Canal Zone —training which serves our own interests as well as theirs and promotes the spirit of cooperation and partnership which is a basic objective of security assistance to Latin America. FMS credit planned for 16 of the 18 Latin American countries participating in FY 1975 DoD security assistance programs amounts to $200 million—more than five times as much as in FY 1966.

In this connection, I note the objection raised by some in the Congress and the public at large with respect to the sales of U.S. military equipment to Latin American countries whose limited resources, they contend, could be better spent on economic development. Actually, the defense budgets of Latin American nations are generally modest and, by comparison, lower than those of equally advanced countries in other parts of the world. By comparison, the amount of national resources devoted to defense is quite low—an average of about two percent of Gross National Product (GNP). The modernization requirements of their armed forces are not excessive. Latin American countries are obviously determined to modernize and replace U.S. equipment of World War II and Korean War vintage. It is and has been fruitless for the United States to dictate to the governments of such sovereign nations the extent to which they should satisfy what they have determined to be their military requirements. By refusing to help them achieve modest modernization programs, we do not spur economic development or an alternative distribution of resources; we simply encourage them to make their military purchases elsewhere. This is inconsistent with a foreign policy which seeks strong regional associations with the nations of the Western Hemisphere.

I do not recommend major grant assistance programs to Latin America. I do not recommend selling arms there or elsewhere in a haphazard way, simply because there is someone willing to buy them. I do recommend, however, that we go ahead with prudent grant and arms sales programs to our Latin American neighbors where those programs make sense from our point of view, and not leave the supply of arms largely to those outside this hemisphere. This response to the reasonable requests of Latin American governments for cooperation in the modernization of their armed forces is the basis for our FY 1975 programs.

I turn now to Africa.

In addition to our strategic interest in North Africa and the Horn, U.S. security interests in Africa stem from



Two German sailors work at the Navy tactical data system console in the guided missile frigate USS Belknap during a training session of the personnel exchange program. The United States and NATO allies are seeking to maintain a satisfactory long-term balance of forces in Europe.

the continent's natural resources, political influence and its potential strategic importance. The Horn of Africa is of particular strategic interest due to its geographical proximity to the troubled Middle East. Security assistance to Africa will continue to be focused primarily on countries of strategic concern to the United States—Morocco and Tunisia on the southern flank of Europe and Ethiopia in the Horn of Africa.

Where possible, the United States has encouraged the former metropoles —France, Belgium and the United Kingdom—to provide the resources needed by the new African states attempting to cope with the problems of nation-building and development. A primary U.S. objective is to avoid local arms races and "cold war" competition in the region. Grant materiel assistance is being provided to only two African countries, Ethiopia and Tunisia.

Turning now to Europe, the transition from reliance on MAP grant aid to complete military self-sufficiency has been made by all but four West European countries, Portugal, Spain, Finland and Austria. Less than $1 million in grant aid materiel and training is programmed to support Portugal's FY 1975 NATO-committed forces. This aid also serves other U.S. security interests, such as access to the Azores bases. Grant aid proposed for Spain in connection wtih the 1970 Agreement of Friendship and Cooperation is limited to training, which is to be provided to some 380 Spanish military personnel in the United States and/or overseas during FY 1975. The small FY 1975 programs of training, to be offered in the United States only, proposed for Finnish and Austrian military personnel serve an important purpose by helping to strengthen the friendly relations we enjoy with these countries bordering the U.S.S.R. and other Warsaw Pact nations. No FMS credit is proposed for these or any other European countries. All foreign military sales to European countries are made on a cash basis.

While such sales continue at a high level, the improved technological capabilities of European countries to produce military equipment have enabled them to increase the volume of their sales to countries in other parts of the world. In this connection, and in the context of my earlier comment on our own military sales to Latin America, it is noteworth that with their improved technology base European countries are combining their total defense requirements to increase the production base and forming consortia for local industry participation in a strong effort to compete effectively for foreign military sales and influence in the world markets.

I have not tried to be all-inclusive today. What I wanted to explain is the relationship between our security assistance program and our broader strategic and defense policies, supplementing the views put forward by the Secretary of State.

I hope I have made clear that the MAP and FMS programs are part-and-parcel of our overall policy. We are succeeding in our efforts to adjust our strategic nuclear policies and programs to the conditions we can expect in the next decade. Similarly, we are giving substantially greater emphasis to the conventional forces of the United States, particularly our NATO and naval forces, for in a time of nuclear parity, deterrence is made more likely if there is a balance of conventional forces in key areas as well as a balance of nuclear forces.

Where we do not have the forces to help maintain a conventional balance —as is the case, for example, in the Middle East and in much of Asia—we must rely primarily on the security assistance program. It is a low-risk, low-cost alternative to direct American involvement in areas of great importance. The security assistance program thus makes an essential contribution to the security of the United States and to the protection of American interests, to the prospects for greater stability and a more durable peace in critical parts of the world.

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